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COMPAQ

September 9, 1998

Magalie Roman Salas
Commission Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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FCC MAIL ROOM

Re: Comments for CC Docket No. 98-141

Dear Ms. Salas:

On behalf of Compaq Computer Corporation and pursuant to Section 1.419(b) of the Commission's Rules, Compaq hereby submits its comments to convey support of the pending application of SBC Communications Inc. and Ameritech Corporation for transfer of control of licenses and authorizations from Ameritech to SBC.

General Characteristics of Compaq Computer Corporation

Founded in 1982, Compaq Computer Corporation is a Fortune Global 200 company. Compaq is the second largest Computer Company in the world and the largest global supplier of personal computers. Compaq develops and markets hardware, software, solutions, and services, including industry-leading enterprise computing solutions, fault-tolerant business-critical solutions, networking and communication products, commercial desktop and portable products and consumer PCs. The company is an industry leader in environmentally friendly programs and business practices. Compaq products are sold and supported in more than 100 countries through a network of authorized Compaq marketing partners. Compaq continues to expand its worldwide presence through the work of geographic divisions in North America, Asia Pacific, Japan, Latin America, Greater China, Europe, the Middle East and Africa.

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Headquartered in northwest Houston, Compaq has an established relationship with SBC Corporation and Southwestern Bell Telephone Company. Attempts to further aspects of the existing relationships have been hampered by the regional and regulated nature of SBC. Though the services and support provided at the Headquarters location in Houston has been good, SBC is excluded from national and international applications due to their inability to serve geographic locations outside their 7 state territory and provide long distance services.

Telecommunications Needs of Compaq

Compaq is a large user of communication services, spending millions of dollars per month on communications services including basic local service, long distance, advanced toll free, data private line, Sonet, frame relay, ATM, video, ISDN and Internet services. As expansion has occurred within Compaq, it has become increasingly important that serving arrangements be standardized across geographic boundaries. Vendors unable to provide services on a national and global basis are at a distinct disadvantage. The majority of our RFPs are national, continental or global in nature.

Benefits of the SBC/Ameritech Merger to Compaq

SBC's expansion into national and international markets would provide Compaq an alternative for the provisioning of local and LD/toll services nationwide where currently, none exists. A vendor's ability to provide multiple services (local, long distance, toll, data) on a national and global scale is an important capability. For Compaq, it simplifies installation, maintenance and management processes, reducing administrative and support costs. Our desire is to have as many "full capability" vendors as possible in the marketplace. SBC's entry into the national marketplace is important and would provide a viable national vendor. However, entry into the international markets would bring them into the scope of a "full capability" provider which is a more valuable opportunity for Compaq.

Conclusion

Compaq supports approval of the SBC/Ameritech merger by the FCC because it provides an additional competitive alternative for communications services. The result should increase the availability of all types of service while driving down the cost, directly benefiting Compaq Computer Corporation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Carol Kelley".

Mary Carol Kelley
Director, Worldwide Communications
Compaq Computer Corporation
20555 Tomball Parkway
Houston, TX 77070
281.514.1343

SBC COMMUNICATIONS INC.

Re: Summary of FCC Procedures

FCC Procedures

- SBC and Ameritech filed a joint application with the FCC on July 24, 1998, requesting FCC approval of the transfer of control of Ameritech's licenses and authorizations to SBC in connection with the proposed merger of the two companies.
- The FCC has put the SBC-Ameritech application on "public notice." This means that interested parties, including actual or prospective customers, are invited to submit comments in support of or in opposition to the merger.
- Comments need not be structured as a formal pleading. A company can file comments in the form of a letter addressed to the Commission Secretary, so long as the FCC docket number for the application ("CC Docket No. 98-141") is specified in the heading of the letter.
- **An original and nine copies of informal comments should be filed with the FCC secretary by September 15, 1998, at the following address:**

Magalie Roman Salas
Commission Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

- SBC's counsel is available to answer any questions SBC customers might have about filing comments with the FCC on the SBC/Ameritech merger. Simply contact any of SBC's counsel directly at:

Wayne Watts
Paul Mancini
SBC Communications Inc.
175 East Houston St.

San Antonio, TX 78205
(210) 351-3476

Robert M. Halperin
Wm. Randolph Smith
Jacqueline E. Davis
Crowell & Moring LLP

1001 Pennsylvania Ave, N.W.
Washington, D.C. 20004
(202) 624-2500

- Within one year of the closing of the merger, SBC plans to install switches in international markets, especially in major financial centers in Europe and Asia. Currently, SBC's plan calls for installing switches and building fiber in fourteen major foreign markets within five years of the merger.
- In sum, the National-Local Strategy will enable SBC to offer its customers:
 - bundled telecommunications services
 - consolidated billing
 - a single point of contact
 - competitive pricing

How the National-Local Strategy Will Affect You
(for use with business customers)

- SBC has estimated, based on various external sources, that for the Compaq Classic and Tandem locations, 91% of your local and long distance expenditures are generated in SBC's region alone. Taking into account the DEC merger, the % of business within SBC's region is significantly reduced to an estimated 70 %. That estimate jumps to 80 – 90% with the combined SBC/Ameritech/SNET region, and to 99% in the combined SBC/Ameritech/SNET region plus the 30 out-of-region markets.
- Thus following the merger and implementation of the National-Local Strategy, we estimate over 99% of your local and long distance expenditures can be met by SBC [SBC/Ameritech/SNET], as opposed to 70% today.